

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

**PAT0084 – INTRODUCTION TO COST AND
MANAGEMENT ACCOUNTING**
(Foundation in Business)

31 May 2017
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FOUR** pages with **THREE** questions only.
2. Answer **ALL** questions.
3. Write your answers in the Answer Booklet.

STRUCTURED QUESTIONS [100 MARKS]

Instructions: Answer **ALL** questions. Write your answers in the Answer Booklet.

QUESTION 1**Part A**

SCS Bhd is a manufacturing company that produces two products: Sewing machine and Embroidery machine. The product costing data is provided in the following table:

Activity Usage Measures			
	Sewing machine	Embroidery machine	Total
Units produced	12,000	8,000	20,000
Direct materials cost	RM120,000	RM100,000	RM220,000
Direct labour hours	4,000	3,500	7,500
Machine hours	20,000	15,000	35,000
Setup hours	100	80	180
Number of moves	45	35	80

Activity Cost Data(Overhead Activities)		
Activity	Activity Cost (RM)	Cost Driver
Assembly	150,000	Direct labour hours
Machining	105,000	Machine hours
Setting up equipment	36,000	Setup hours
Moving goods	10,000	Number of moves

REQUIRED

- a) Calculate the activity rates for each activity. (6 marks)
- b) Calculate the total cost per unit for each model. (14 marks)

Part B

Avis Berhad produces powerbank and sells it for RM80.

The following information is available for Avis Berhad

	RM
Direct material cost per unit	18
Direct labour cost per unit	12
Fixed production overhead	20,000
Variable production overhead cost per unit	5
Administration expenses	10,000
Distribution expenses	7,000

They need to pay salesmen a commission of 10% of sales.

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REQUIRED

- a) Calculate the total variable costs per unit. (6 marks)
- b) Calculate the breakeven point (6 marks)
- c) How many units need to be sold in order to achieve a profit margin of RM80,000 together with an increased selling price of 10%, increased variable cost to RM48 per unit and additional advertising of RM33,000. (8 marks)

(TOTAL 40 MARKS)**QUESTION 2****Part A**

Hanzo Berhad is a company that manufactures mini camera. In April 2017, the company produced 25,000 units and 20,000 units was anticipated to be sold. The price of the mini camera is RM66 per unit. The following cost information pertain to Hanzo Berhad for April 2017:

<u>Manufacturing costs:</u>	
Direct materials cost (per unit)	RM 12
Direct labour cost (per unit)	RM 18
Variable manufacturing overhead cost (per unit)	RM 9
Fixed manufacturing overhead cost	RM180,000
<u>Marketing expenses:</u>	
Variable per unit	RM 6
Fixed	RM 60,000

REQUIRED

- a) Calculate unit product cost using absorption costing and variable costing. (10 marks)
- b) Prepare the income statement using absorption costing system. (10 marks)

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Part B

Sinotip Berhad manufactures aluminium windows. The costs per unit are as follows:

Direct material A	RM 10
Direct material B	RM 9
Direct material C	RM 8
Direct manufacturing labour	RM 7
Variable manufacturing overhead	RM 6
Fixed manufacturing overhead	RM 5
Variable selling expenses	RM 4
Fixed selling expenses	RM 3
Variable administrative expenses	RM 2
Fixed administrative expenses	RM 1

The aluminium windows normally sell for RM70 each. The company has received a special order for 10,000 units of aluminium windows at RM60 per unit. The company has excess capacity to accept the special order.

REQUIRED

- a) Calculate the total relevant revenues from the special order. (4 marks)
- b) Calculate the total relevant costs for the special order. (8 marks)
- c) Compute the change in operating income if the special order is accepted. (4 marks)
- d) Should Sinotip Berhad accept the special order? Explain. (4 marks)

(TOTAL 40 MARKS)

QUESTION 3**Part A**

Bliss Coffee Berhad manufactures variety of coffee. The direct materials are added at the start of the production process while conversion costs are added uniformly throughout the production process. During the month of April 2017, there was no beginning inventory. Direct material cost for the month totaled RM 450,000 while conversion costs was RM 2,000,000. Accounting records indicate that 250,000 kilograms of coffee beans were started on 1 April 2017 and that 200,000 kilograms coffee were completed on 30 April 2017. Ending inventory was 60% complete as to conversion costs.

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REQUIRED

- a) Calculate the total equivalent units (3 marks)
- b) Calculate the cost per equivalent units for April. (3 marks)
- c) Calculate the costs for units completed and transferred to finished goods department. (2 marks)
- d) Calculate the cost of ending work in process. (2 marks)

Part B

Ewin Berhad manufactures a single product. The following information relates to Ewin Berhad for the first quarter of 2018.

	January	February	March
Budgeted sales (units)	190,500	200,000	206,500

Desired inventories (units):	Materials	Finished goods
January, 1	105,000	104,000
January, 31	106,100	199,600
February, 28	115,000	180,500
March, 31	117,900	205,400

Notes:

- a) Selling price of the finished product is RM60 per unit.
- b) One unit of direct material is required to produce one finished product.
- c) Direct materials cost per unit is RM35.

REQUIRED

Prepare the following budgets for Ewin Berhad for the months of January, February and March.

- a. Sales budget (2.5 marks)
- b. Production budget. (3 marks)
- c. Direct materials purchase budget (in quantity and value). (4.5 marks)

(TOTAL 20 MARKS)

End of Paper